

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE	)	
APPLICATION OF THE FUEL ADJUSTMENT	)	CASE NO.
CLAUSE OF KENTUCKY UTILITIES COMPANY	)	2016-00232
FROM NOVEMBER 1, 2015 THROUGH APRIL	)	
30, 2016	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company ("KU"), pursuant to 807 KAR 5:001, is to file with the Commission an original, six copies in paper medium, and an electronic version of the following information. The information requested herein is due within 14 days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU fails or

refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KU shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to KU's response to the Commission's August 12, 2016 Request for Information ("August 12, 2016 Request"), Item 25. Confirm that, for the review period, copies of the following have been filed with the Commission. If an item has not been filed, explain why it has not been filed and provide a copy.

- a. Long-term purchase contracts for coal, natural gas, or fuel oil;
- b. Spot or short-term purchase contracts for coal, natural gas, or fuel oil;
- c. Master agreements for coal, natural gas, or fuel oil;
- d. Purchase confirmations relating to the master agreements for coal, natural gas, or fuel oil. (For voluminous natural gas purchases, if the utility filed documentation such as monthly invoices or a listing of transactions showing date, quantity purchased, and price in lieu of filing the purchase confirmations, confirm that such documentation was filed.);

- e. Copies of all natural gas transportation agreements;
- f. Copies of all transportation agreements relating to barging, trucking, rail, etc.

2. Refer to KU's response to the August 12, 2016 Request, Item 26. The response states, "[t]he assigned fuel cost for the unit on forced outage is calculated as the unit's fuel cost per MWh multiplied by the unit's lost MWh during the outage."

a. Explain in detail how the fuel cost (\$/MWh) is calculated for the unit suffering a forced outage.

b. Provide an example of the calculation from an actual forced outage during the review period.

3. Refer to KU's response to the August 12, 2016 Request, Item 27.

a. Refer to the response to part a.

(1) State whether the response indicates that only reservation fees are incurred and recovered through the fuel adjustment clause ("FAC") or whether all of the costs listed in the question are incurred and recovered through the FAC.

(2) State whether there are any similar fixed costs related to the transportation of coal or other fuels that are allocated entirely to native load customers. If yes, explain.

b. Refer to the response to part b.(1).

(1) The response does not clearly answer the question. State whether the fees listed in the question are incurred in months in which the units receiving the firm natural gas transportation service do not operate.

(2) The response states that the fees related to firm natural gas transportation service are recorded in inventory. Given this accounting treatment, explain how the fees are allocated entirely to native load customers without all of the power from Cane Run 7 and the Trimble County combustion turbines ("CTs") being allocated entirely to native load customers.

c. Refer to the response to part b.(2).

(1) Confirm that power sold off system could be produced by any of KU's generating units and is not specifically generated by any particular unit.

(2) For Cane Run 7, and for the Trimble County CTs in the aggregate, provide the amount of the firm natural gas fees (by category of fee) that were allocated to native load customers for each month of the review period.

(3) Provide the effect it would have had on fuel costs and the FAC and off-system sales factors for each month of the review period if the fees related to firm natural gas transportation service had been allocated to off-system sales as well as to native load sales.

  
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DATED SEP 21 2016

cc: Parties of Record

Case No. 2016-00232

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